

**BY ORDER OF THE COMMANDER  
AIR FORCE MATERIEL COMMAND**



**AFMC POLICY DIRECTIVE 500-2**

**3 SEPTEMBER 1998**

**AFMC Commander's Policy Directive**

**AFMC COMMAND MANAGEMENT  
FRAMEWORK**

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Certified by: HQ AFMC/XP  
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Supersedes AFMCPD 500-2, 7 April 1997

Pages: 6  
Distribution: F

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**1. Policy Purpose:** This directive describes the philosophy, structure, and process for the management of the "business" of AFMC. The normal activity, inherent to a military organization, is managed through traditional Command channels.

**2. Policy Statement:**

2.1. Management Philosophy: AFMC's mission is to ensure the readiness and sustainability of combat forces - we equip the warriors of the Air Force. We develop, acquire, support and maintain superior weapons systems that fall into four classes - aeronautics, command and control, space and missiles, and air armaments. We must understand our customers' operational needs, commit to levels of performance for our goods and services, and meet those commitments. We will use sound business practices, grounded in the fundamentals of quality and cost management. AFMC must be effective and efficient--focused on outputs, not inputs--fully accountable as individuals and as an organization. Our management framework must ensure positive business control of current operations, while facilitating effective planning and programming to assure that the readiness and sustainability of the combat forces is maintained at required levels and at a cost effective price. Our corporate management process should ensure compliance with the Government Performance and Results Act (GPRA).

2.1.1. The Command Management Structure is constructed according to the tenets of centralized corporate oversight and planning and decentralized business execution, all under the operational control of AFMC/CC as the Chief Executive Officer (CEO). [See attachments 1 and 2]

2.1.2. Centralized Corporate Oversight and Planning is managed primarily through three organizational entities. The eight independent business areas, each headed by a chief operating officer (COO), constitute the first echelon of corporate-level management. The AFMC Executive Team integrates operations of the business areas, and offers the additional oversight and services of the

chief financial officer (CFO), chief information officer (CIO), and key corporate support functions, headed by designated chief support officers (CSOs) [See attachment 3]. Ultimately, the AFMC Executive Team integrates with center commanders (business unit CEOs) as the AFMC Command Council. The centralized corporate management structure is designed to ensure AFMC planning alignment with Air Force vision, mission, goals, objectives, and tasks; and business execution consistent with command commitments.

2.2. Decentralized Business Execution is managed by the center commanders as heads of AFMC's field activities. The centers operate as multi-business area enterprises in support of four product lines: aeronautics, command and control, space and missiles, and air armaments.

### **3. Responsibilities:**

3.1. AFMC Command Council is the senior corporate decision body in AFMC. It synthesizes corporate-level considerations with those of the operating business activities. AFMC/CC chairs the meetings. It convenes at the direction of AFMC/CC, but at least semi-annually, to approve command-level policy, as well as strategic planning, programming, and budgeting.

3.2. AFMC Executive Team is the venue for integrating the plans and activities of the eight business areas, and facilitating the consideration of corporate-level functional area perspectives. AFMC/CC chairs the meetings. It convenes as required, but at least monthly. The Executive Team integrates business area planning, reviews business area operating performance and resolution of selected corporate-level issues, and is responsible for corporate resource allocation. It further ensures planning and performance are consistent with command objectives.

3.2.1. AFMC Resource Board (ARB) meets as required, and is a designated sub-group of the Executive Team responsible for staffing and resolving resource allocation matters. The ARB exercises decision authority when reallocation falls within current corporate planning, programming, or budgeting guidance. Otherwise, ARB recommendations are forwarded to the Executive Team for decision. HQ AFMC/XP chairs the ARB for planning and programming purposes. HQ AFMC/FM chairs ARB budget sessions. HQ AFMC/CE chairs the ARB for isolated MILCON issues.

3.2.1.1. AFMC Program Review Panel (PRP) is an ARB special staff, solely responsible for development and integration of command-level programming and budgeting submissions. HQ AFMC/XPP chairs the PRP during the program objective memorandum (POM), HQ AFMC/FMP chairs the group during the BES, and HQ AFMC/FMA chairs it for the Financial Plan and initial distribution and current year discussions. The PRP exercises only staffing authority.

3.3. AFMC Business Areas do corporate-level planning and integration of unit-level business activities within specific product and service lines. COOs exercise authority over investment and reallocation of resources within their business areas, and COOs may organize independent corporate structures to suit their respective operations. Business areas will report operating performance to the Command CEO at least quarterly as part of the Executive Team meetings.

3.4. AFMC Centers are responsible for developing unit-level business plans to optimize operation of their business functions--and delivering AFMC's goods and services to our customers. Center commanders, as CEOs of the operating business activities, have complete authority over operations and

allocation of their center's resources within the confines of existing law and policy. Center CEOs will report operating performance to the Command CEO at least quarterly.

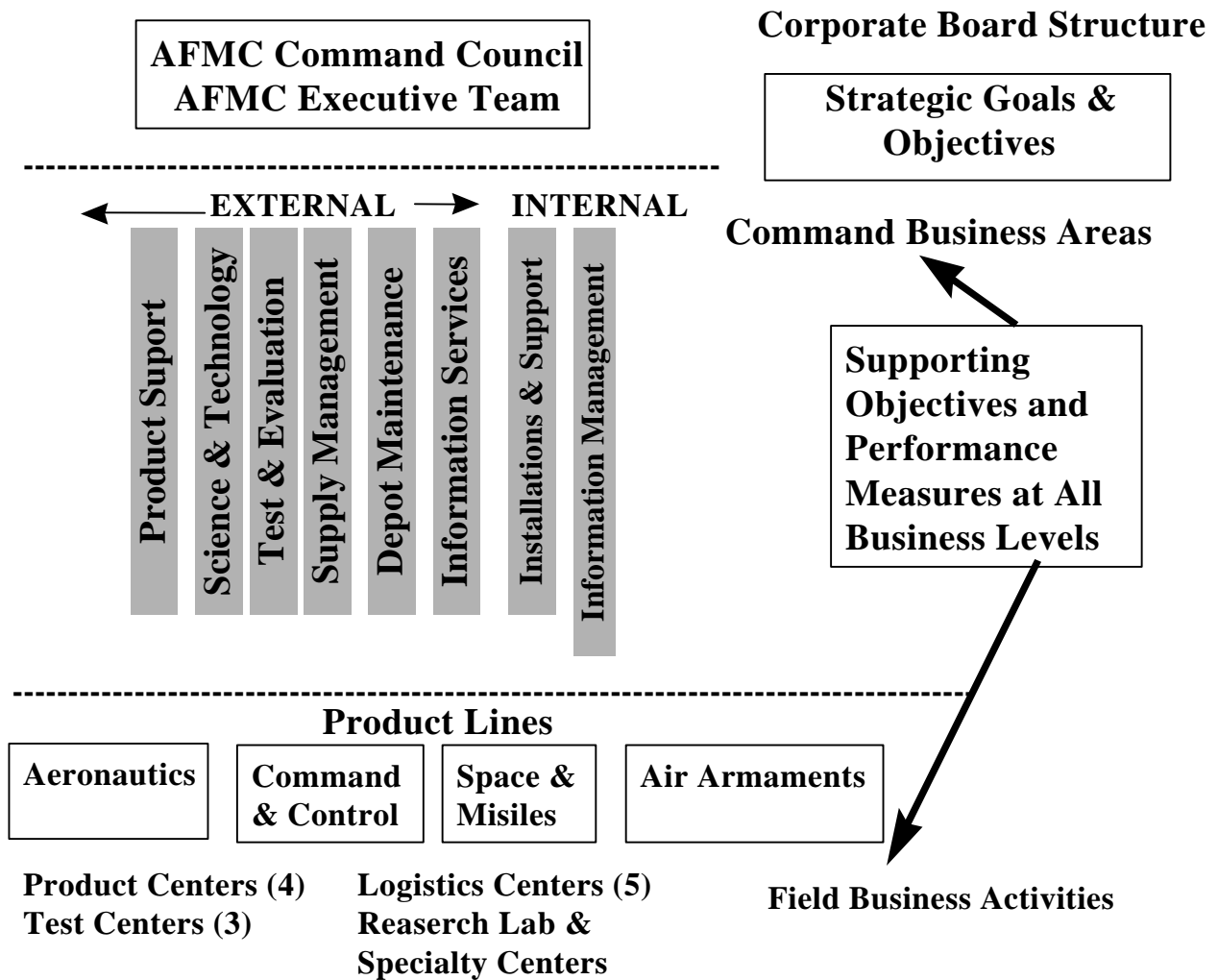
3.5. HQ AFMC/CCX is responsible for issuing implementing instructions for the Command Council and Executive Team operations.

3.6. HQ AFMC/XP is responsible for issuing implementing instructions for the ARB and PRP.

GEORGE T. BABBITT, General, USAF  
Commander

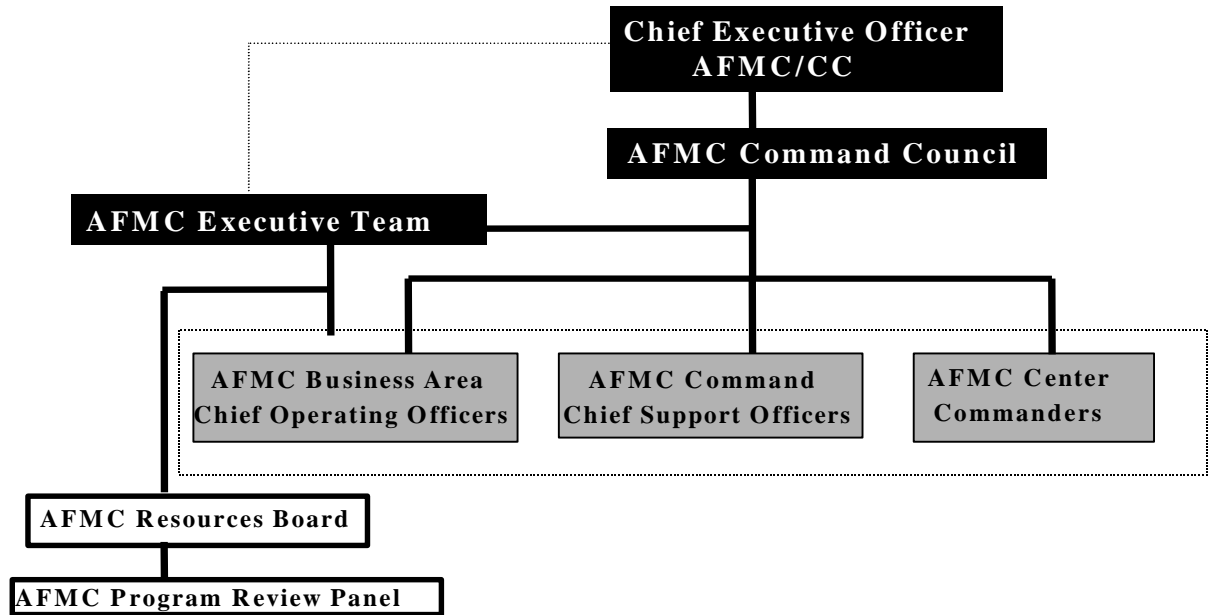
## Attachment 1

## AFMC MANAGEMENT FRAMEWORK



## Attachment 2

## AFMC CORPORATE BOARD STRUCTURE



## Attachment 3

## AFMC MANAGEMENT ASSIGNMENTS

**AFMC CORPORATE STAFF****Chief Executive Officer (CEO):** AFMCCC<sup>1,2</sup>**Chief Financial Officer (CFO):** AFMCFM<sup>1,2,3</sup>**Chief Information Officer (CIO):** AFMCSC<sup>1,2,3</sup>**Chief Operating Officers:****Business Area** **COO**<sup>1,2,3</sup>

Product Support	AFMCDR
Science & Technology	AFRLCC
Test & Evaluation	AFMCDO
Supply Management	AFMCLG
Depot Maintenance	AFMCLG
Information Services	AFMCDR
Information Management	AFMCSC
Installations & Support	AFMCCE

**Chief Support Officers:****Functional Area** **CSO**<sup>1,2,3</sup>

Plans	AFMCXP
Contracting	AFMCPK
Legal	AFMCJA
Engineering	AFMCEN
Personnel	AFMCDP
Enlisted Matters*	AFMCCCC

\*(Is not a member of the ARB)

**AFMC Operating Units**

<b><u>Center</u></b>	<b><u>Center CEO</u></b> <sup>1</sup>
ASC	ASCCC
ESC	ESCCC
SMC	SMCCC
AAC	AACCC
AFRL	AFRLCC
WR-ALC	WR-ALCCC
OO-ALC	OO-ALCCC
OC-ALC	OC-ALCCC
SM-ALC	SM-ALCCC
SA-ALC	SA-ALCCC
AFITC	AFITCCC
AEDC	AEDCCC
AFSAC	AFSACCC
AMARC	AMARCCC
HSC	HSCCC

1 - Denotes Member of AFMC Command Council

2 - Denotes Member of AFMC Executive Team

3 - Denotes Member of AFMC Resource Board

NOTE AFMCCV Assumes CEO Role During AFMCCC Absence